

Message Text

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PAGE 01 BOGOTA 02632 291547Z

44

ACTION TRSE-00

INFO OCT-01 ARA-16 ISO-00 STR-08 L-03 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01

/105 W

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P 291437Z MAR 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 1970

UNCLAS BOGOTA 2632

PLS PASS TREASURY

EO 11652: NA

TAGS: ETRD CO

SUBJ: COUNTERVAILING DUTY - TAX CREDITS

REF: BOGOTA A-50; EDDY-BREWER TELECON

1. TAX CREDIT CERTIFICATES FOR EXPORTS (CAT) "ARE FREELY NEGOTIABLE, EXEMPT FROM ALL TYPES OF TAXES, AND UTILIZABLE FOR THE PAYMENT OF THOSE OF INCOME, SALES AND CUSTOMS." IN 1973, CAT'S WERE USED TO PAY 1,456 MILLION PESOS WORTH OF TAX OBLIGATIONS (OVER US \$60 MILLION), REPRESENTING ALMOST 15 PERCENT OF TOTAL CURRENT REVENUE COLLECTIONS. UTILIZATION WAS 776 MILLION FOR INCOME TAX, 227 MILLION SALES TAX, 435 MILLION CUSTOMS DUTIES, 17 MILLION GASOLINE TAX, AND ONE MILLION FOR OTHER PENALTIES AND TAXES.

2. CAT'S CANNOT BE EXCHANGED FOR CASH BUT BEING FREELY NEGOTIABLE ARE REGULARLY TRADED ON BOGOTA AND MEDELLIN STOCK EXCHANGES. DURING 1973 CAT'S WITH NOMINAL VALUE OF 1,156 MILLION PESOS WERE TRADED ON BOGOTA EXCHANGE WITH AVERAGE PRICE OF 94.82 PESOS FOR NOMINAL VALUE OF 100. VOLUME IN MEDELLIN WAS 256 MILLION NOMINAL VALUE OF TRANSACTIONS WITH AVERAGE PRICE OF 95.23.

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PAGE 02 BOGOTA 02632 291547Z

THESE TOTALS INCLUDE CAT'S OF VARYING MATURITY SO THAT AVERAGE

PRICES DO NOT APPLY TO SPECIFIC MATURITY PERIOD. PRICE OF 91.05
QUOTED ON BOGOTA EXCHANGE MARCH 27 FOR CAT'S MATURING IN AUGUST.

3. COLOMBIA HAS TWO TAXES KNOWN AS COMPLEMENTARY TAXES. ONE IS
EXCESS PROFITS TAX ON INCOME IN EXCESS OF 26 PERCENT OF NET
WEALTH. SECOND IS NET WEALTH OR NET WORTH TAX IMPOSED ON INDIV-
IDUALS AND ESTATES ONLY. BOTH TAXES ARE COMPLEX BUT EMB WILL
BE HAPPY TO SUPPLY ANY DETAILS REQUIRED.

VAKY

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, TAX LAW, COUNTERVAILING DUTIES, EXPORT SUBSIDIES, TAX INCENTIVES, TAX RELIEF
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Copy: SINGLE
Draft Date: 29 MAR 1974
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BOGOTA02632
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740069-0493
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974035/aaaaaehx.tel
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30 JUN 2005

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TAGS: ETRD, CO, US
To: STATE
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